

ASSIGNMENT OF FEDERAL OCS PIPELINE RIGHT-OF-WAY GRANT

Part A: Assignment

Legal description of the Pipeline Right-of-Way Grant being assigned (Please include Segment Number and any accessory information):

Pipeline Right-of-way (ROW) OCS-G 28557 is a 200-foot wide and approximately 4.56 miles (24,079 feet) long corridor associated with the 6-inch Pipeline Segment No. (PSN) 10458. The purpose of the pipeline ROW OCS-G 28557 is to maintain and operate PSN 10458 and to transport supply gas originating at Platform B in Block 89, terminating at Platform C in Block 86, all in the South Pass Area, South and East Addition.

Assignor(s) does hereby sell, assign, transfer, and convey unto Assignee(s) the following undivided right, title and interest:

Insert name and Company number of each Assignor and Assignee.

Assignor(s):

Northstar Offshore Group, LLC (3217)

Percentage Interest Conveyed

100%

Assignee(s):

Sanare Energy Partners, LLC (3520)

Percentage Interest Received

100%

Bureau of Safety and Environmental Enforcement (BSEE)

RECEIVED

JUN 23 2019

Office of Field Operations
Pipeline Section

☐ Exhibit "A," which sets forth other provisions between Assignor(s) and Assignee(s), is attached to and made a part of this assignment.

For BSEE Use Only – Do Not Type Below This Line

UNITED STATES OF AMERICA

This Assignment of Federal OCS Pipeline Right-of-Way Grant has been filed as of the date stamped on this document and hereby approved by the Bureau of Safety and Environmental Enforcement on the date below.

By Anapex Mober
Authorized Official for BSEE

Chief, Pipeline Section
Title

29 July 2019
Approval Date

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 *et seq.*) requires us to inform you that we collect this information to use in the adjudication process involved in pipeline Right-of-Way Assignments. BSEE uses the information to track ownership of Pipeline ROW Grants in the Federal OCS. Responses are required to obtain or retain a benefit (43 U.S.C. 1334). Proprietary data are covered under 30 CFR 250.197. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden of this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate, or any other aspect of this form, to the BSEE Information Collection Clearance Officer, 381 Elden Street, Herndon, VA 20170.

Part B – Certification and Acceptance

1. Assignor(s) certifies it is the owner of the interest in the above-described Federal OCS Pipeline Right-of-Way Grant that is hereby assigned to the Assignee(s) specified above.
2. **DEBARMENT COMPLIANCE:** Assignee shall comply with the Department of the Interior's nonprocurement debarment and suspension regulations as required by Subpart B of 2 CFR Part 1400 and shall communicate the requirement to comply with these regulations to persons with whom it does business related to this record title interest assignment by including this term in its contracts and transactions.
3. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMPLIANCE CERTIFICATION:** Assignor(s) and Assignee(s) certify that they are in full compliance with Equal Opportunity Executive Order 11246, as amended, and the implementing regulations at 41 CFR 60-01 – Obligations of Contractors and Subcontractors; and 41 CFR 60-2 – Affirmative Action Programs. These requirements are for the purpose of preventing discrimination against persons on the basis of race, color, religion, sex, or national origin. These regulations have specific performance requirements.
4. Assignee's execution of this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the right-of-way grant described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations in accordance with 30 CFR 250 and 550, Subpart J and to furnish and maintain such bond(s) as may be required by the assignee, pursuant to regulations at 30 CFR 550, Subpart J. This assignment is subject to the Outer Continental Shelf Lands Act of August 7, 1953, 67 Stat. 462; 43 U.S.C. 1331 *et seq.*, as amended (the "Act"), and Assignee(s) is subject to, and must fully comply with, all applicable regulations now or to be issued under the Act. Notwithstanding any agreement between the Assignor(s) and Assignee(s), the parties' liability to the Bureau of Safety and Environmental Enforcement is governed by 30 CFR 250.

This Assignment of Federal OCS Pipeline Right-of-Way Grant will be made effective between the parties hereto as of August 4, 2018, upon approval by the Bureau of Safety and Environmental Enforcement, United States Department of the Interior.

This instrument may be executed in any number of counterparts, each of which will be deemed an original instrument, but all of which together will constitute but one and the same instrument provided. However, this instrument and any other counterpart hereof, will not be binding unless and until executed by all of the parties, and will not be accepted by the Bureau of Safety and Environmental Enforcement unless all counterparts are filed simultaneously.

I certify that the statements made herein by the undersigned are true, complete, correct to the best of my knowledge and belief, and made in good faith.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ASSIGNOR Northstar Offshore Group, LLC (3217)

ASSIGNOR

By: 
Name: James Katchadurian
Title: Sole Officer and Manager

By: _____
Name: _____
Title: _____

7-3-18
Execution Date

Execution Date

ASSIGNEE Sanare Energy Partners, LLC (3520)

ASSIGNEE

By: 
Name: Brian H. Macmillan
Title: Sr. Vice President - Land

By: _____
Name: _____
Title: _____

7-3-18
Execution Date

Execution Date

Attach Notary Acknowledgement (not mandatory)

Identification of Right-of-way Pipeline Operator

The companies identified below are on record with the Bureau of Safety and Environmental Enforcement (BSEE), as a partial grant holder of:

Pipeline Right-of-way Grant Number (OCS or OCS-G): OCS-G 28557

Regional Office: **Gulf of Mexico**

who hereby identifies **Sanare Energy Partners, LLC**
Name of Operator:

11 Greenway Plaza, Suite 2800
Address: **Houston, Texas 77046**

as operator of the right-of-way (ROW) pipeline identified above and as operator with, subject to the relinquishment and modification limitation stated below, full authority to act on the ROW grant holder's behalf and to fulfill the grant holder's obligations under the OCS Lands Act, in compliance with the terms and conditions of the ROW grant, laws and applicable regulations. The BSEE Regional Supervisor, or the authorized BSEE Regional Officer, may provide the identified ROW pipeline operator written or oral instructions in securing compliance with the ROW grant in accordance with applicable laws and regulations. This identification of ROW pipeline operator is made with respect to the ROW pipeline segment number described below:

☐ Check here if description continued on attached sheet.

(Insert ROW grant description, including ROW and Pipeline Segment Numbers)

Pipeline Right-of-way (ROW) OCS-G 28557 is a 200-foot wide and approximately 4.56 miles (24,079 feet) long corridor associated with the 6-inch Pipeline Segment No. (PSN) 10458. The purpose of the pipeline ROW OCS-G 28557 is to maintain and operate PSN 10458 and to transport supply gas originating at Platform B in Block 89, terminating at Platform C in Block 86, all in the South Pass Area, South and East Addition.

It is understood that this identification of a ROW pipeline operator does not relieve the grant holder of responsibility for compliance with the terms of the ROW grant and all applicable laws and regulations. It is also understood that this identification of the ROW pipeline operator itself does not constitute an assignment of any interest in the ROW grant.

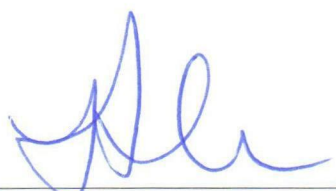
In case of default on the part of the identified ROW pipeline operator, all ROW grant holders will make full and prompt compliance with all laws, regulations or orders of the Secretary of the Interior or his/her representative. If BSEE determines the ROW pipeline operator's performance being conducted on the pipeline ROW described above is unacceptable, BSEE may disqualify the ROW pipeline operator, or may disapprove or revoke its identification of ROW pipeline operator. The ROW pipeline operator will be given adequate notice and opportunity for a review by BSEE Regional officials before initiating or imposing a disqualification. The BSEE Regional Director may require the pipeline ROW grant holders to identify/name an operator empowered to fulfill the pipeline ROW grant holder's obligations under the OCS Lands Act or governing regulations.

The ROW pipeline operator does not have the authority to relinquish or modify the pipeline ROW grant described above unless all pipeline ROW grant holder's join in the execution of a relinquishment or modification application with the ROW pipeline operator.

The grant holders agree to notify the Regional Supervisor promptly of any change in the identified ROW pipeline operator. The identified ROW pipeline operator shall comply with the Department of the Interior's non-procurement debarment and suspension regulations as required by Subpart A of 2 CFR Part 180 and by Subpart B of 2 CFR Part 1400 and shall communicate the requirement to comply with these regulations to persons with whom it does business related to this identification by including this term in its contracts and transactions.

Identified ROW Pipeline Operator and GOM ID Number:


Sanare Energy Partners, LLC (3520)

By: 
Signatory Name: Brian H. Macmillan
Signatory Title: Sr. Vice President - Land
Date: 7-3-19

ROW Holder
Northstar Offshore Group, LLC (3217)
By: 
Signatory Name: James Katchadurian
Signatory Title: Sole Officer and Manager
Date: 7-3-19

ROW Holder

By: _____
Signatory Name: _____
Signatory Title: _____
Date: _____

ROW Holder Sanare Energy Partners, LLC (3520)
By: 
Signatory Name: Brian H. Macmillan
Signatory Title: Sr. Vice President - Land
Date: 7-3-19

ROW Holder

By: _____
Signatory Name: _____
Signatory Title: _____
Date: _____

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that BSEE collects this information to be informed of who is authorized to act on behalf of the Right-of-Way grant holder(s) to fulfill their obligations under the OCS Lands Act and applicable regulations, and who is authorized to receive notices and comply with regulatory orders issued. Responses are mandatory (43 U.S.C. 1331 et seq.). No proprietary information is collected. An agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. You may direct comments regarding the burden estimate or any other aspect of this form to the Information Collection Clearance Officer, Bureau of Safety and Environmental Enforcement, 45600 Woodland Rd, Sterling, VA 20166.



11 Greenway Plaza

Suite 2800

Houston, Texas 77046

(713) 626-9696

Fax (713) 626-3444

- Via Federal Express -

July 22, 2019

Bureau of Safety and Environmental Enforcement
Attn: Pipeline Section – Ms. Cissy Marshall
1201 Elmwood Park Blvd.,
New Orleans, LA 70123-2390

Bureau of Safety and Environmental Enforcement (BSEE)
RECEIVED

JUL 23 2019

Office of Field Operations
Pipeline Section

Re: South Pass 89, OCS-G 28557, Segment #10458
Transfer of Interest

Dear Ms. Marshall:

Sanare Energy Partners, LLC ("Sanare"), submits for your approval the following documentation associated with the *Assignment of Pipeline Right-of-Way Grant* whereby **Northstar Offshore Group, LLC {NOG} (3217)** conveys 100% of its ownership to **Sanare Energy Partners, LLC (3520)**.

- Pay-Gov in the amount of \$201.00
- Assignment of Pipeline Right-of-Way Grant forms in triplicate
- Identification of Right-of-Way Pipeline Operator forms in triplicate

History: As you may recall, this Assignment was submitted to the BOEM, first under NOG in favor of Northstar Offshore Ventures, LLC (3520) on May 24, 2019 but was initially rejected due to the Pipeline R-O-W status indicating "Terminated". After conversations between your office and J. Connor and Associates (Sanare's Regulatory consultants) it was determined the R-O-W would be reactivated and a new Assignment of R-O-W could be submitted with "no signature" representing the bankrupt NOG, but rather a "Per Court Order" statement in the signature line. Unfortunately, once that was submitted, Northstar Offshore Ventures, LLC received BOEM name change approval and your department discovered the "NOG" Qualification Card held current signature approval for James Katchadurian. As a result, it was requested NOG re-submit the assignments once more but in favor of the new company name, Sanare Energy Partners, LLC, and have the approved signature party execute on behalf of NOG.

All required OSFR forms associated with this lease are in place. Sanare will operate this Pipeline R-O-W and currently holds a \$300,000.00 Gulf-Wide R-O-W Grant Bond under #N-7001177.

Should you have any questions regarding this submittal, please contact the undersigned at (713) 386-1040 or at sgosnell@sanarepartners.com. As always, thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink that reads "Sherry Gosnell".
Sherry Gosnell

Property Administration Manager

sg /Acquisitions/NOG-Sanare Residual Assigns-2019/BSEE-SP 89 ROW G-28557 Cover Ltr-3.doc

**Confirmation**

SP 86/89 G 28557
NOG to SANARE

Your payment has been submitted to the designated government agency through Pay.gov and the details are below. Please note that this is just a confirmation of transaction submission. To confirm that the payment processed as expected, you may refer to your bank statement on the scheduled payment date. If you have any questions or wish to cancel this payment, you will need to contact the agency you paid at your earliest convenience.

Tracking Information

Pay.gov Tracking ID: 26J00ROV

Agency Tracking ID: 75799641797

Form Name: BSEE Pipeline ROW Grant Assignment

Application Name: BSEE Pipeline ROW Grant Assignment - CH/CH

Payment Information

Payment Type: Bank account (ACH)

Payment Amount: \$201.00

Transaction Date: 07/22/2019 04:06:38 PM EDT

Payment Date: 07/23/2019

Region: Gulf of Mexico

Contact: SHERRY GOSNELL 713-386-1040

Applicant Company Name: Sanare Energy Partners, LLC

Company Code: 3520

Assignor: Northstar Offshore Group, LLC 3217

Assignee: Sanare Energy Partners, LLC 3520

ROW Number: 28557

Email Address: sgosnell@sanarepartners.com

Account Information

Account Holder Name: Sanare Energy Partners, LLC

Routing Number: 111000753

Account Number: *****1754

EXHIBIT A-5
PIPELINE RIGHTS-OF-WAY

FEDERAL RIGHTS-OF-WAY OPERATED		
Originating Area/Block	Right-of-Way #	Right-of-Way Description
Eugene Island 184	OCS-G 15015 Segment #9266	Pipeline Right-of-Way OCS-G 15015 is a 200-foot wide and approximately 1.21 miles (6,393 feet) long corridor associated with the bi-directional 6-inch Pipeline Segment #9266. The purpose of the pipeline R-O-W OCS-G 15015 is to maintain and operate Pipeline Segment #9266 and to transport Gas originating at Platform A in Block 184, terminating at a 10-inch SSTI in Block 195, all in the Eugene Island Area.
High Island A-442	OCS-G 15676 Segment #10773	Pipeline Right-of-Way OCS-G 15676 is a 200-foot wide and approximately 3.03 miles (15,975 feet) long corridor associated with the 6-inch Pipeline Segment #10773. The purpose of the pipeline R-O-W OCS-G 15676 is to maintain and operate Pipeline Segment #10773 and to transport Oil originating at Platform A in Block A-442, terminating at a 6-inch SSTI in Block A-443, all in the High Island Area, South Addition.
High Island A-442	OCS-G 15677 Segment #10774	Pipeline Right-of-Way OCS-G 15677 is a 200-foot wide and approximately 4.30 miles (22,690 feet) long corridor associated with the 6-inch Pipeline Segment #10774. The purpose of the pipeline R-O-W OCS-G 15677 is to maintain and operate Pipeline Segment #10774 and to transport Gas originating at Platform A in High Island Area, South Addition, Block A-442, terminating at a 30-inch SSTI in High Island Area, East Addition, South Extension, Block A-283.
High Island A-443	OCS-G 29187 Segment #18829	Pipeline Right-of-Way OCS-G 29187 is a 200-foot wide and approximately 10.50 miles (55,442 feet) long corridor associated with the bidirectional 10-inch Pipeline Segment #18829. The purpose of the pipeline R-O-W OCS-G 29187 is to maintain and operate Pipeline Segment #18829 and to transport gas originating at Platform A in High Island Area, South Addition, Block A-443, through High Island Area, East Addition, South Extension, Block A-284, terminating at a 30-inch SSTI in High Island Area, East Addition, South Extension, Block A-283.
High Island A-571	OCS-G 4356 Segment #5913	Pipeline Right-of-Way OCS-G 4356 is a 200-foot wide and approximately 7.27 miles (38,364 feet) long corridor associated with the 20-inch Pipeline Segment #5913. The purpose of the pipeline R-O-W OCS-G 4356 is to maintain and operate Pipeline Segment #5913 and to transport Gas originating at Platform A in Block A-571, through Blocks A-548 and A-547, terminating at a 30-inch SSTI in Block A-546, all in the High Island Area, South Addition.
South Marsh Island 41	OCS-G 25396 Segment #14649	Pipeline Right-of-Way OCS-G 25396 is a 200-foot wide and approximately .87 miles (4,589 feet) long corridor associated with the 4-inch Pipeline Segment #14649. The purpose of the pipeline R-O-W OCS-G 25396 is to maintain and operate PSN 14649 and to transport Gas originating at Platform A in Block 41, terminating at Platform JA in Block 40, all in the South Marsh Island Area.

Originating Area/Block	Right-of-Way #	Right-of-Way Description
South Pass 89	OCS-G 28557 Segment #10458	Pipeline Right-of-Way OCS-G 28557 is a 200-foot wide and approximately 4.56 miles (24,079 feet) long corridor associated with 6 inch Pipeline Segment #10458. The purpose of the pipeline R-O-W OCS-G 28557 is to maintain and operate Pipeline Segment #10458 aid to transport supply Gas originating at Platform B in Block 89, terminating at Platform C in Block 86, all in the South Pass Area, South and East Addition.
Ship Shoal 202	OCS-G 28971 Segment #17998 <i>Pending Abandonment</i>	Pipeline Right-of-Way (ROW) OCS-G 28971 is a 200-foot wide and approximately 3.37 miles (17,815 feet) long corridor associated with the 4-inch Pipeline Segment No. (PSN) 17998. The purpose of the pipeline ROW OCS-G 28971 is to maintain and operate PSN 17998 and to transport gas/condensate originating at Platform A in Block 202, through Block 197, terminating at a 26-inch SSTI in Block 198, all in the Ship Shoal Area. Note: This ROW is pending abandonment and under BSEE restrictions can not be transferred under and Assignment of Pipeline ROW Grant.
Ship Shoal 202	OCS-G 28972 Segment #17999 <i>Pending Abandonment</i>	Pipeline Right-of-way (ROW) OCS-G28972 is a 200-foot wide and approximately 3.76 miles (19,870 feet) long corridor associated with the 4-inch Pipeline Segment No. (PSN) 17999. The purpose of the pipeline ROW OCS-G28972 is to maintain and operate PSN 17999 and to transport oil originating at Platform A in Block 202, through Block 197, terminating at Platform J in Block 198, all in the Ship Shoal Area. Note: This ROW is pending abandonment and under BSEE restrictions can not be transferred under and Assignment of Pipeline ROW Grant.
West Cameron 20	OCS-G 25492 Segment #3501	Pipeline Right-of-Way OCS-G 25492 is a 200-foot wide and approximately 4.26 miles (22,491 feet) long corridor associated with the 6-inch Pipeline Segment #3501. The purpose of the pipeline R-O-W OCS-G 25492 is to maintain and operate Pipeline Segment #3501 and to transport Gas/ Condensate originating at Platform A. and terminating at the Federal/State Boundary all in West Cameron Area, Block 20.
West Cameron 20	OCS-G 29347 Segment #19613	Pipeline Right-of-Way OCS 29347 is a 200-foot wide and approximately .76 miles (4,000 feet) long corridor associated with the 8-inch Pipeline Segment #19613. The purpose of the pipeline R-O-W OCS 29347 is to maintain and operate Pipeline Segment #19613 and to transport Gas originating at Platform A and terminating at the Fed/State Boundary all located in West Cameron Area Block 20. (Replaced Terminated OCS 0877 Segment #3503).
West Cameron 21	OCS-G 26859 Segment #15155	Pipeline Right-of-Way OCS-G 26859 is a 200-foot wide and approximately 3.09 miles (16,309 feet) long corridor associated with the 8-inch Pipeline Segment #15155. The purpose of the pipeline R-O-W OCS-G26859 is to maintain and operate Pipeline Segment #15155 and to transport Gas/ Condensate originating at Platform G in Block 21, terminating at a 36-inch SSTI in Block 44, all in the West Cameron Area.
West Delta 36	OCS-G 29323 Segment #19433 <i>Pending Abandonment</i>	Pipeline Right-of-Way OCS-G 29323 is a 200-foot wide and approximately 2.48 miles (13,109 feet) long corridor associated with the 6-inch Pipeline Segment #19433. The purpose of the pipeline R-O-W OCS-G 29323 is to maintain and operate Pipeline Segment #19433 and to transport bulk Gas originating at Platform G in Block 36, terminating at Platform A-Aux, all in the West Delta Area. Note: This ROW is pending abandonment and under BSEE restrictions can not be transferred under and Assignment of Pipeline ROW Grant.

STATE OF LOUISIANA RIGHTS-OF-WAY OPERATED		
Originating Area/Block	Right-of-Way #	Right-of-Way Description
West Cameron 20	State Lease R-O-W #643	Right-of-Way #643 for certain rights through and under State Lands located in Cameron Parish, Louisiana and extending southward into the Gulf of Mexico, traversing under water bottoms in the offshore waters known as West Cameron Area, Offshore Louisiana, Block No. 20, situated in the Parish of Cameron, State of Louisiana. <i>This Right-of-Way is associated with Federal Lease West Cameron 2 OCS-0680.</i>

RIGHTS-OF-WAY ASSOCIATED WITH NORTHSTAR LEASES OUTSIDE OPERATED		
Originating Area/Block	Right-of-Way #	Right-of-Way Description
Main Pass 55	OCS-G 7541 Pig-Trap Accessory	Platform Pig-Trap: An accessory platform to R-O-W OCS-G 7541 in Main Pass Area Block 55. <i>Northstar holds a 25% interest and Medco Energi US LLC holds a 75% interest in this Pipeline R-O-W Grant.</i>
Main Pass 65	OCS-G 7541 Segment 1 #7294	Segment #7294: A 200 foot R-O-W to operate and maintain a 4-1/2 inch pipeline. 3.60 miles in length to transport oil from Platform A in block 65, through block 56, to Platform PIG-TRAP in Block 55, all located in Main Pass Area. <i>Northstar holds a 25% interest and Medco Energi US LLC holds a 75% interest in this Pipeline R-O-W Grant.</i>
Main Pass 65	OCS-G 7541 Segment 2 #11963	Segment #11963: A 200 foot R-O-W to operate and maintain a 4-1/2 inch pipeline, 0.012 miles in length, to transport oil from Platform PIG-TRAP in Block 55, to a subsea tie-in Block 55, all located in Main Pass Area. <i>Northstar holds a 25% interest and Medco Energi US LLC holds a 75% interest in this Pipeline R-O-W Grant.</i>
Main Pass 55	OCS-G 1380 Segment #4892	Main Pass 55 ROW: Pipeline ROW OCS-G 1380, Segment #4892, a 200 foot wide right-of-way to operate and maintain a 12-3/4-inch O D pipeline, 0.39 miles in length, to transport oil from Sub Sea Tie-in (SSTI) in Block 55, to Federal/State Boundary in Block 55, all located in Main Pass Area.
Main Pass 64	OCS-G 8051 Segment #7640	OCS-G 08051, Segment Number 7640: A 200-foot wide right-of-way to operate and maintain an 8 5/8-inch pipeline, 3.66 miles in length, to transport gas from Platform A in Block 64 to a 26-inch subsea tie-in in Block 57, all located in Main Pass Area.
Main Pass 64	OCS-G 28612 Segment #16240	Maintain an 8 5/8-inch pipeline, 3.66 miles in length, to transport gas from Platform A
Main Pass 64	OCS-G 28613 Segment #16241	Block 64 to a 26-inch subsea tie-in in Block 57, all located in Main Pass Area.
Main Pass 64	OCS-G 29198 Segment #18895	Pipeline Right-of-Way OCS-G29198 is a 200-foot wide and approximately 1.40 miles (25,108 feet) long corridor associated with the 6.0-inch Pipeline Segment No. 18895. The purpose of pipeline ROW OCS-G29198 is to install, operate and maintain pipeline segment PSN 18895 and to transport bulk oil from Block 64, Platform "AQ" to the Fed/State Boundary, Block 65, all located in Main Pass Area.
Main Pass 64	OCS-G 29044 Segment #18181	Pipeline Right-of-Way bearing Serial Number OCS-G 29044, Segment No. 18181 being a 200 foot-wide right-of-way to operate and maintain a 4 1/2-inch pipeline, 3.60 miles in length, to transport oil from Platform A in Block 65, through Block 56, to Platform PIG-TRAP in Block 55, all located in Main Pass Area.
Main Pass 65	OCS-G 28585 Segment #16199	Pipeline Right-of-Way bearing Serial Number OCS-G 28585 Segment No. 16199 being a 200 foot-wide right-of-way to operate and maintain a 3-inch pipeline, 1.08 miles in length, to transport Supply Gas from Federal/State Main Pass Block 68 to Platform A in Main Pass Block 64, all located in Main Pass Area, South and East Addition.

Originating Area/Block	Right-of-Way #	Right-of-Way Description
South Pass 86	OCS-G 13415 Segment #9550	OCS-G 13415. Segment No. 9550. Right-of-Way two hundred feet (200') in width for the construction, maintenance and operation of an 8.625-inch pipeline to transport crude oil, 1.98 miles in length, beginning at Platform C located in Block 86, South Pass Area. South and East Addition and terminating at a 12-inch subsea tie-in located in Block 89. South Pass Area. South and East Addition. Northstar uses this one. for Oil to the SSTI.
South Pass 86	OCS-G 13428 Segment #9597	OCS-G 13428 Segment No. 9597. Right-of-Way two hundred feet (200') in width for the construction, maintenance and operation of an 12-inch pipeline to transport crude Gas, 2.71 miles in length, beginning at Platform C located in Block 86, South Pass Area. South and East Addition and terminating at a 20-inch subsea tie-in located in Block 88. South Pass Area. South and East Addition. Northstar uses this one for Gas.

SEA ROBIN GAS PLANT Includes Coverage of South Marsh Island 41	
	Northstar WI (%) *
Sea Robin Gas Plant - Main Deck	48.0950%
* Interest represents multiple leases (SM 39, 41 & 142)	

SOUTH PASS / WEST DELTA PIPELINE SYSTEM Covering South Pass 86 & South Pass 89	
The interests below reflect Northstar Offshore Group's ownership in this pipeline system based on the "South Pass/West Delta Owner's Agreement" originally dated effective October 1, 1981; its Amendment 12 dated effective December 1, 2011; and Amendment 12 last updated December 2016.	
SOUTH PASS 89 / WEST DELTA*	Northstar Ownership (%)
SP 89 System Wide	21.2961%
SP 89 SEG 1 {SP 89/WD 79 PL}	25.0000%
SP 89 SEG 2 {SP WD 79 A Lateral PL}	No Ownership
SP 89 SEG 3 {WD 79 - WDRS}	26.6000%
SP 89 SEG 4 (WD 86 A LAT)	No Ownership
SP 89 SEG 5 (SP 86 C LAT)	25.0000%
* Northstar holds no pipeline interest in any of the West Delta leases within this pipeline system.	

HIGH ISLAND PIPELINE SYSTEM (HIPS)	
The interests below reflect Northstar Offshore Group's ownership in this pipeline system based on the 'High Island Pipeline System Operating Agreement {HIPS}' and the 'High Island Pipeline System Owner's Agreement, both dated effective June 1, 2009.	
HIPS Representing Segments within High Island A-442*, A-443 & A-571	Northstar WI (%)
Segment III-8	100.0000%
Segment III-10	80.1090%
Segment III-18	100.0000%

* HI A-442 is a terminated lease as of 3/27/17



ENTERED
08/02/2017

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

NORTHSTAR OFFSHORE
GROUP, LLC,

DEBTOR.

§
§
§
§
§
§

Case No. 16-34028
Chapter 11

**ORDER (I) APPROVING THE SALE OF SUBSTANTIALLY
ALL OF THE DEBTOR'S ASSETS FREE AND CLEAR OF
CLAIMS, LIENS, INTERESTS AND ENCUMBRANCES; (II) APPROVING
THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED LEASES; AND (III) GRANTING RELATED RELIEF**

Upon consideration of Northstar Offshore Group, LLC's (the "Debtor") motion (the "Motion")¹ [ECF No. 437] seeking entry of an order authorizing and approving, among other things, the sale (the "Sale") of substantially all of the Debtor's assets (the "Assets") free and clear of Liens and Claims pursuant to that certain Asset Purchase Agreement dated as of August 1, 2017 (the "Purchase Agreement"), attached hereto as Exhibit A, by and between the Debtor and Northstar Offshore Ventures LLC (the "Buyer"), and the assumption and assignment of the executory contracts and unexpired leases identified in Schedule 1.4(a) to the Purchase Agreement (the "Assumed and Assigned Contracts"); and this Court (the "Court" or the "Bankruptcy Court") having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and other parties in interest; and after due deliberation thereon, and good and sufficient cause appearing therefor, including² for the reasons stated on the record at the hearing seeking approval of the Sale (the "Sale Hearing");

¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion, the Purchase Agreement or the Bidding Procedures Order (defined below), as applicable.

² The words "include," "includes" or "including" when used in this Order shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import.

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Court has jurisdiction to consider the Motion and to grant the relief requested therein pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue in this Court is proper under 28 U.S.C. § 1408 and 1409.

B. The legal predicates for the relief requested in the Motion are §§ 105, 106, 363 and 365 of the Bankruptcy Code. Such relief is also warranted pursuant to Bankruptcy Rules 2002, 6004, 6006 and 9014.

C. In accordance with the provisions of the *Order (A) Approving Sale and Bidding Procedures in Connection With Sale of Assets of the Debtor, (B) Approving Form and Manner of Notice, (C) Scheduling Auction and Sale Hearing, (D) Authorizing Procedures Governing Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (E) Granting Related Relief* [ECF No. 504] (as subsequently amended, including, without limitation, amendments relating to, among other things, the Bidding Procedures' deadlines set forth in ECF No. 650, collectively, the "Bidding Procedures Order"), and as evidenced by the certificate of service previously filed with this Court, the Debtor served the Sale Notice, together with a copy of the Bidding Procedures Order and the Bidding Procedures, on (i) all entities contacted by Parkman Whaling, LLC, the Debtor's investment banker, or known by the Debtor to have expressed an interest in entering into a transaction involving the Assets within the last eighteen (18) months; (ii) all state and local taxing authorities or recording offices which have a reasonably known interest in the relief requested; (iii) all of the Debtor's insurers; (iv) all non-debtor parties to the Debtor's contracts or leases (executory or otherwise) as identified by the Debtor; (v) all parties who are known or reasonably believed, after reasonable inquiry, to have

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact to the fullest extent of the law. *See* Fed. R. Bankr. P. 7052.

asserted any Lien, encumbrance, Claim, or other interest in any of the Assets; (vi) upon all parties set forth in the Debtor's master service list and creditor matrix maintained in these cases; and (viii) all holders of Preferential Purchase Rights. Based upon the certificates of service [ECF Nos. 443, 521, 532, 554, 590, 620], and the evidence presented as the Sale Hearing: (1) proper, timely, adequate, and sufficient notice of the Motion, the Bidding Procedures Order, the Bidding Procedures, the Sale Hearing, the Sale and the transactions contemplated thereby, including without limitation, the assumption and assignment of the Assigned Contracts to the Buyer, has been provided in accordance with the Bid Procedures Order, sections 102(1), 105(a), 363, and 365 of the Bankruptcy Code, and Bankruptcy Rules 2002, 4001, 6004, 6006, 9006, 9007, and 9014; (2) such notice was good and sufficient, appropriate under the particular circumstances and reasonably calculated to reach and apprise all known and unknown holders of liens, claims and encumbrances and (3) no other or further notice of the Motion, the Sale Hearing, the Sale, the assumption and assignment of the Assumed Contracts or the related Cure Amounts is or shall be required. In addition, the Sale Notice was posted on the Debtor's case information website for the Chapter 11 Case, <https://cases.primeclerk.com/northstar>. Further, a reasonable opportunity to object to and to be heard regarding the relief granted by this Order has been afforded to those parties entitled to notice pursuant to Bankruptcy Rule 6004(a).

D. The Assets sought to be transferred and/or assigned by the Debtor to the Buyer pursuant to the Purchase Agreement are property of the Debtor's estate and title thereto is vested in the Debtor's estate. For the sake of clarity, such Assets do not include any claims held by the Debtor against third parties, including avoidance actions under chapter 5 of the Bankruptcy Code and applicable non-bankruptcy law, subject to the limitations contained in paragraph 10 below regarding the ability of the Debtor, its estate and any successor to the rights of the Debtor or the

estate to prosecute or assert claims against third parties. To resolve an informal objection raised by the Official Committee of Unsecured Creditors (the "Committee"), such Assets also do not include any claims and causes of action including, without limitation, claims and causes of action under directors and officers' insurance policies and any rights or proceeds of insurance in connection therewith (the "D&O Claims"), each of which constitute an Excluded Asset under this Order, notwithstanding anything to the contrary in the Purchase Agreement, subject again to the limitation contained in paragraph 10 below.

E. The Bidding Procedures were substantively and procedurally fair to all parties and all potential bidders, and afforded notice and a full, fair and reasonable opportunity for any person to make a higher or otherwise better offer to purchase the Assets.

F. The Debtor and the Buyer negotiated, proposed, and entered into the Purchase Agreement without collusion or fraud, in good faith, and from arm's-length bargaining positions. The Buyer is, therefore, purchasing the Assets in good faith and is a good faith Buyer within the meaning of § 363(m) of the Bankruptcy Code. The Buyer is not an "insider" or "affiliate" of the Debtor as those terms are defined in §§ 101(31) and 101(2) of the Bankruptcy Code. Neither the Debtor nor the Buyer has engaged in any conduct that would cause or permit the Purchase Agreement to be avoided under § 363(n) of the Bankruptcy Code. The Buyer proceeded in good faith in connection with all aspects of the Sale. The Buyer (i) recognized that the Debtor was free to deal with any other party interested in acquiring the Assets, (ii) complied with the Bidding Procedures Order and Bidding Procedures in all respects and (iii) willingly subjected the bid to the competitive Bidding Procedures approved in the Bidding Procedures Order. All payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the Sale have been disclosed, neither the Buyer or the Debtor has

violated section 363(n) of the Bankruptcy Code by any action or inaction, and no common identity of directors or controlling stockholders exists between and among the Buyer on the one hand, and the Debtor, on the other. Accordingly, the Buyer is entitled to all of the protections afforded under § 363(m) of the Bankruptcy Code, including in the event this Order or any portion thereof is reversed or modified on appeal, and otherwise has proceeded in good faith in all respects in connection with this Chapter 11 Case and the Sale.

G. The Debtor and its professionals marketed the Assets and conducted the marketing and sale process in compliance with the Bidding Procedures and the Bidding Procedures Order. Based upon the record of these proceedings, creditors and other parties in interest and prospective purchasers were afforded a reasonable and fair opportunity to bid and make a higher or otherwise better offer to purchase the Assets. The Debtor received Qualified Bids from Arena Limited DIP I, LLC ("Arena") and Acadia Energy Holdings, LLC ("Acadia") in addition to the Buyer's Qualified Bid (as set forth in the Purchase Agreement). The bids submitted by Arena and Acadia, however, were not superior to the Buyer's bid, and after engaging in discussions with the Debtor regarding whether either party intended to amend its respective bid to compete with the Buyer's bid, Arena and Acadia informed the Debtor that neither intended to amend their respective bids and both consented to the cancellation of the Auction. Therefore, in accordance with the Bidding Procedures, the Debtor determined that (i) the Buyer's Qualified Bid constituted the highest and best offer for the Assets and selected the Buyer's Qualified Bid (as set forth in the Purchase Agreement) as the Successful Bid, (ii) there was no need for the Auction to occur, and (iii) canceled the Auction to preserve estate assets. Accordingly, to inform interested parties of the foregoing, the Debtor filed its *Notice of Cancellation of Auction* on July 23, 2017 [ECF No. 703]. A copy of the Purchase Agreement

was attached to the Notice of Cancellation as Exhibit A. The Debtor's determination that the Purchase Agreement constitutes the highest and best offer for the Assets and the Debtor's selection of the Purchase Agreement as the Successful Bid constitute a valid and sound exercise of the Debtor's business judgment.

H. The total consideration provided by the Buyer pursuant to the Purchase Agreement (i) is fair and adequate, (ii) is the highest or otherwise best offer for the Assets, (iii) is in the best interests of the Debtor, its creditors, its estate and other parties in interest; (iv) will provide a greater recovery for the Debtor's estate than would be provided by any other available alternative, and (v) constitutes reasonably equivalent value and fair consideration under the Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, the Bankruptcy Code and any other applicable laws. The Debtor's determination that the Purchase Agreement constitutes the highest and best offer for the Assets and the Debtor's selection of the Purchase Agreement as the Successful Bid constitute a valid and sound exercise of the Debtor's business judgment. Neither the Debtor nor the Buyer engaged in any conduct that would cause or permit the Purchase Agreement or the consummation of the Sale to be avoided, or costs or damages to be imposed, under § 363(n) of the Bankruptcy Code, any other law of the United States, any state, territory, possession thereof, or the District of Columbia, or any other applicable law. The Purchase Agreement was not entered into, and the Sale is not being consummated, for the purpose of hindering, delaying or defrauding creditors of the Debtor under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia, or any other applicable law. Neither the Debtor nor the Buyer has entered into the Purchase Agreement or is consummating the Sale with any fraudulent or otherwise improper purpose. Other than the

Buyer, no person, entity or group of persons or entities has offered to purchase the Assets for an amount that would provide greater economic value to the Debtor and its estate. The Court's approval of the Motion as set forth herein, the Sale, and the Purchase Agreement is in the best interests of the Debtor, its estate and creditors and all other parties in interest.

I. The Debtor and its professionals conducted the sale process in compliance with the Bidding Procedures Order, and afforded potential purchasers a full, fair and reasonable opportunity to make a higher or otherwise better offer for the Assets than the offer reflected in the Purchase Agreement.

1. Based on the evidence presented at the Sale Hearing, the Court made findings of fact and conclusions of law that the Sale qualifies as a sale of all or substantially all of the Debtor's assets, and as a consequence, the Debtor is permitted to sell free and clear of any preferential rights held by Fieldwood Energy LLC, Fieldwood Energy Offshore, LLC, and their affiliates (collectively, "Fieldwood"). The Court's oral findings are incorporated into this Order.

J. Based on the evidence presented at the Sale Hearing, the Buyer is willing, authorized, capable, and qualified—financially, operationally, legally, and otherwise—to perform all obligations under the Purchase Agreement, including to procure replacement performance bonds and assume all Assumed Liabilities with respect to the Assets to be sold pursuant to the Purchase Agreement. Specifically, the Court concludes that the Buyer (i) has sufficient capital to operate the Assets; (ii) upon the Closing, will have personnel qualified to continue operation of the Assets without disruption; (iii) has corporate authority to purchase the Assets; (iv) upon the Closing, will have or after Closing, consistent with the Purchase Agreement, is likely to have, all necessary governmental authority to operate the Assets, including sufficient bonding for the Assets to satisfy all governmental requirements. No

consents or approvals of the Debtor, other than those expressly provided for in the Purchase Agreement or this Order, are required for the Debtor to consummate the Sale.

K. Upon the Closing, except as included in the Assumed Liabilities, the Buyer shall not, and shall not be deemed to: (i) be the successor of or successor employer⁴ to the Debtor, and shall instead be, and be deemed to be, a new independent entity from the Debtor and employer with respect to any and all federal or state unemployment laws, including any unemployment compensation or tax laws, or any other similar federal or state laws, (ii) have, *de facto* or otherwise, merged or consolidated with or into the Debtor, (iii) be a mere continuation or substantial continuation of the Debtor or the enterprise(s) of the Debtor, or (iv) be liable for any acts or omissions of the Debtor in the conduct of its business or arising under or related to the Assets other than as set forth in the Purchase Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in the Purchase Agreement, the parties intend that the Buyer shall not be liable for any liability (other than Assumed Liabilities) against the Debtor, or any of its predecessors or Affiliates, and the Buyer shall have no successor or vicarious liability of any kind or character whatsoever, whether known or unknown as of the Effective Time, whether now existing or hereafter arising, whether asserted or unasserted, or whether fixed or contingent, with respect to the Debtor's business, the Assets or any liabilities of the Debtor arising prior to the Effective Time. The Buyer would not have purchased the Assets but for the foregoing protections against potential Claims based upon "successor liability" theories.

L. All parties in interest have been provided the ability and the opportunity to assert Claims against the Debtor.

⁴ As described in COBRA (defined below) and in any other applicable law or regulation.

M. Each and every provision of the Assigned Contracts or applicable non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Assigned Contract has been satisfied or is otherwise unenforceable under section 365 of the Bankruptcy Code. In accordance with the provisions of the Bidding Procedures Order, and as evidenced by the certificate of service previously filed with this Court, the Debtor served the following: (i) *Notice of (I) Request for Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (II) Proposed Cure Amounts* [ECF No. 544]; (ii) *First Supplemental Notice of (I) Request for Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (II) Proposed Cure Amounts* [ECF No. 591]; (iii) *Second Supplemental Notice of (I) Request for Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (II) Proposed Cure Amounts* [ECF No. 649]; and (iv) *Notice of (I) Request for Authority to Assume and Assign Certain Executory Contracts and Unexpired Leases, and (II) Proposed Cure Amounts* [ECF No. 725], on the Contract Counterparties identified therein that identified, to the extent applicable, (i) the Assumed and Assigned Contract(s) with such Contract Counterparties; (ii) the name and address of such Contract Counterparties; (iii) the proposed effective date of the assignment (subject to the right of the Debtor and the Buyer to withdraw the request for assumption and assignment of the Assumed and Assigned Contract(s) prior to the Closing); (iv) the Cure Amount, if any, under the Assumed and Assigned Contract(s); and (v) the deadlines by which such Contract Counterparties must file an objection to the proposed assumption and assignment of the Assumed and Assigned Contract(s). The notice given by the Debtor of the assumption and assignment of the Assumed and Assigned Contracts and the associated Cure Amounts constitutes good and sufficient notice and no further notice is required in connection

therewith. Upon the assignment and sale to the Buyer, the Assigned Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Order, and shall be assigned and transferred to the Buyer, notwithstanding any provision in the Assigned Contracts prohibiting or otherwise restricting assignment or transfer, and the Debtor, its estate or any of their predecessors, successors or assigns, shall have no further liability or obligation under the Assigned Contracts.

N. The assumption and assignment of the Assumed and Assigned Contracts is integral to the Purchase Agreement and is in the best interests of the Debtor, its estate, its creditors, and other parties in interest, and represents the Debtor's reasonable exercise of sound and prudent business judgment. The Buyer has demonstrated adequate assurance of future performance of all Assigned Contracts within the meaning of section 365 of the Bankruptcy Code by the Buyer or any of its affiliates or designees to which an Assigned Contract is assumed and assigned by the Debtor. The Assigned Contracts being assigned to the Buyer are an integral part of the Sale of the Assets and, accordingly, their assumption and assignment are reasonable and an enhancement to the value of the Debtor's estate. Evidence adduced at the Sale Hearing demonstrates adequate assurance of future performance by the Buyer with respect to the Assumed and Assigned Contracts pursuant to § 365(f)(2)(B) of the Bankruptcy Code. The Buyer shall be responsible for satisfying the Cure Amounts.

O. The Buyer would not have entered into the Purchase Agreement and would not consummate the Sale if the Sale to the Buyer were not free and clear of all claims, lien, interests and encumbrances (other than Assumed Liabilities), including Claims and Liens as defined in the Purchase Agreement, pursuant to § 363(f) of the Bankruptcy Code or if the Buyer would, or in the future could, be liable for any of such claims, liens, interests and encumbrances. Unless

expressly included in the Purchase Agreement, the Buyer shall not be responsible for any claims, liens, interests and encumbrances, including in respect of the following: (i) any labor or employment agreements; (ii) any mortgages, deeds of trust or security interests; (iii) any health or welfare, compensation or other employee benefit plans, agreements, practices or programs; (iv) any other employee, worker's compensation, occupational disease or unemployment or temporary disability related Claim, including, without limitation, Claims that might otherwise arise under or pursuant to (a) Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, including, without limitation, the requirements of Part 6 of Subtitle B of Title I of ERISA and section 4980B of the Internal Revenue Code and of any similar state law (collectively, "COBRA") (except as otherwise specifically provided in the Purchase Agreement), (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, or (k) any other state or federal benefits or Claims relating to any employment with the Debtor or any of its predecessors; (v) any liabilities arising, at any time prior to the Effective Time, under any Environmental Laws with respect to any assets owned or operated by the Debtor or any predecessor of the Debtor; (vi) any bulk sales or similar law; (vii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (viii) any Excluded Liabilities.

P. The Debtor is the sole and lawful owner of the Assets, or otherwise has a valid, enforceable property interest in such, and title thereto is vested in the Debtor's estate within the meaning of section 541(a) of the Bankruptcy Code.

Q. The consummation of the Sale to the Buyer and the assumption and assignment of the Assumed and Assigned Contracts is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, §§ 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f) of the Bankruptcy Code, and all of the applicable requirements of such sections have been complied with in respect of the Sale. In particular, the Debtor may sell the Assets free and clear of all Liens and Claims (except for Assumed Liabilities and Permitted Encumbrances) of any kind or nature whatsoever because, in each case, one or more of the standards set forth in §§ 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Any party with an interest in the Assets who did not object, or who withdrew its objection, to the Sale or the Motion is deemed to have consented pursuant to § 363(f)(2) of the Bankruptcy Code. Any party with a Lien, Claim, or other interest in the Assets who did object falls within one or more of the other subsections of § 363(f) of the Bankruptcy Code and is adequately protected by having its Lien, Claim, or other interest, if any, either (i) remain against the Assets (in the case of Senior Statutory Liens) or (ii) attach to the net cash proceeds of the Sale ultimately attributable to the Assets against or in which such Liens or other interests are asserted with the same validity, enforceability, priority, and force and effect as they had against the Assets or their proceeds as of the Voluntary Petition Date.

R. Accordingly, subject to section 363(f) of the Bankruptcy Code, and except as otherwise provided in the Purchase Agreement or this Order, the transfer of each of the Assets to the Buyer will be, as of the Closing Date, a legal, valid, and effective transfer of the Assets,

which transfer vests or will vest the Buyer with all right, title, and interest of the Debtor to the Assets free and clear of, among other things, (i) all Claims, Liens, interests and encumbrances (other than Assumed Liabilities and Permitted Encumbrances), (ii) all debts arising under, relating to, or in connection with any act of the Debtor or Claims, liabilities, obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement of the Debtor's Chapter 11 Case, and whether imposed by agreement, understanding, law, equity or otherwise (including, without limitation, rights with respect to Claims and Liens (x) that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, consent right, Preferential Purchase Rights, other purchase or repurchase right or option, or termination of, the Debtor's or the Buyer's interests in the Assets, or any similar rights, or (y) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including, without limitation, any restriction on use, voting, transfer, receipt of income or other exercise of any attributes of ownership), relating to, accruing or arising any time prior to or on the Closing Date, with the exception of Assumed Liabilities and Permitted Encumbrances.

S. There is no better available alternative for the Assets than the Sale to the Buyer. The Sale contemplated by the Purchase Agreement is in the best interests of the Debtor, its estate and creditors, and all other parties in interest.

T. Subject to the entry of this Order, the Debtor: (i) has full power and authority to execute the Purchase Agreement and all other documents contemplated thereby; (ii) has all of the power and authority necessary to consummate the transactions contemplated by the Purchase Agreement; and (iii) has taken all corporate action necessary to authorize and approve the

Purchase Agreement and the Sale, and all other actions required to be performed by the Debtor to consummate the transactions contemplated in the Purchase Agreement. No consents or approvals, other than those expressly provided for in the Purchase Agreement or this Order, are required for the Debtor to consummate the Sale.

U. The Debtor served the Sale Notice, together with a copy of the Bidding Procedures Order and the Bidding Procedures, on each and all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any Lien, encumbrance, Claim, Preference Right, Transfer Requirement, or other interest in any of the Assets.

V. Good and sufficient reasons for approval of the Purchase Agreement and the Sale have been articulated by the Debtor. The Debtor has demonstrated a good, sufficient and sound business purpose for the Sale outside: (a) the ordinary course of business, pursuant to § 363(b) of the Bankruptcy Code; and (b) a plan of reorganization, because, among other things, the immediate consummation of the Sale is necessary and appropriate to maximize the value of the Debtor's estate. To maximize the value of the Assets and preserve the viability of the operations to which the Assets relate, it is essential that the Sale occur within the time constraints set forth in the Purchase Agreement. Time is of the essence in consummating the Sale.

W. Because the entry into and consummation of the Purchase Agreement constitutes the exercise by the Debtor of sound business judgment, the Debtor, its respective members, officers, directors, employees, advisors, professionals or agents, shall have or incur no liability to the estate or any holder of a Claim or equity interest for any act or omission in connection with, related to, or arising out of the negotiations of the Purchase Agreement or the consummation of the transactions contemplated thereunder, other than liability arising out of or relating to any act

or omission that constitutes a breach of the Purchase Agreement, willful misconduct, fraud or gross negligence, in each case as determined by the Bankruptcy Court.

X. The Sale does not constitute a *sub rosa* chapter 11 plan. The Sale neither impermissibly restructures the rights of the Debtor's creditors nor impermissibly dictates the terms of a plan for the Debtor.

Y. An injunction against creditors and third parties pursuing Claims against, and liens, interests and encumbrances on, the Assets is necessary to induce the Buyer to close the Sale, and the issuance of such injunctive relief is therefore necessary to avoid irreparable injury to the Debtor's estate and will benefit the Debtor's creditors.

Z. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), the Court expressly finds that there is no just reason for delay in the implementation of this Order and expressly directs entry of judgment as set forth herein.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

2. The relief requested in the Motion is GRANTED and the Sale and Purchase Agreement are approved, all as set forth in this Order. All objections to the Motion, to the Bidding Procedures, and/or otherwise to the Sale are overruled on the merits, with prejudice, to the extent they have not been withdrawn, waived or otherwise resolved.

3. Pursuant to §§ 105(a), 363(b), 363(f), 365(b), and 365(f) of the Bankruptcy Code, the Debtor is authorized to sell and transfer all of the Debtor's right, title and interest in and to the Assets to the Buyer in accordance with the Purchase Agreement (including any ancillary documents) on the Closing Date and such sale and transfer shall (a) constitute a legal, valid, binding, and effective transfer of the Assets, (b) upon the Debtor's receipt of the Purchase Price,

vest the Buyer with all right, title and interest of the Debtor to the Assets, free and clear of all Liens, Claims, Preference Rights, Transfer Requirements, and other interests in and on the Assets pursuant to § 363(f) of the Bankruptcy Code (other than the liens created by the Buyer, the Permitted Encumbrances and the Assumed Liabilities), and (c) constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the state in which Debtor is incorporated and any other applicable non-bankruptcy laws.

4. Each of the Debtor and the Buyer are hereby authorized and directed to take any and all actions necessary or appropriate to: (i) close and consummate the Sale in accordance with the Motion, the Purchase Agreement and this Order; (ii) assume and assign to the Buyer the Assumed and Assigned Contracts; and (iii) perform, consummate, implement and close fully the Purchase Agreement together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement. The Debtor and each other party to the Purchase Agreement and any and all documents executed in connection therewith (collectively, the "Sale Documents") are hereby authorized and directed to perform each of their covenants and undertakings as provided in the Sale Documents prior to or after the Closing Date without further order of the Court. The Buyer and the Debtor shall have no obligation to close the Sale except as is contemplated and provided for in the Purchase Agreement.

5. Except as otherwise provided in the Purchase Agreement, all Persons (including, without limitation, customers, vendors, lessors, warehousemen, mechanics, repairmen, repair facility operators, storage facility operators, bailees, consignees, and other parties in possession of any of the Assets at any time) holding liens, Claims, Preference Rights, or Transfer Requirements of any kind or nature whatsoever against the Debtor or the Assets shall be and

hereby are forever barred, estopped, and permanently enjoined from asserting, prosecuting, commencing, continuing, or otherwise pursuing in any manner any action, Claim, or other proceeding of any kind, directly or indirectly, against the Buyer, any Affiliates of the Buyer (as they existed immediately prior to the Closing), or the Assets, including any action, Claim, or other proceeding seeking to prevent or interfere with the consummation of the Sale, with the retrieval by the Buyer or the delivery to the Buyer of possession of the Assets, or with any access to or any use, benefit, or enjoyment of the Assets by the Buyer, except with respect to Assumed Liabilities and the Permitted Encumbrances. All Persons that are in possession of any of the Assets on the Closing Date are directed to surrender possession of such Assets to the Buyer or its assignee on the Closing Date (or as soon as possible after demand is made by the Buyer following the Closing Date). Following the Closing Date, no holder of a Lien, Claim or other interest in or against the Debtor or the Assets shall interfere with the Buyer's rights and title to, and operation of, or use and enjoyment of, the Assets based on or related to any such Lien, Claim, or other interest, except with respect to Assumed Liabilities and Permitted Encumbrances. Notwithstanding anything contained in this Order or the Purchase Agreement to the contrary, holders of alleged Senior Statutory Liens in the Assets are authorized to file and prosecute in the Bankruptcy Court all actions necessary to obtain a final determination of the validity, priority and extent of any alleged Senior Statutory Lien on the Assets.

6. Upon the Closing: (a) the Debtor is hereby authorized and directed to consummate, and shall be deemed for all purposes to have consummated, the sale, transfer and assignment of all of the Debtor's rights, title and interest in the Assets to the Buyer free and clear of all Liens, Claims and liabilities, other than the Assumed Liabilities; and (b) except as expressly provided in the Purchase Agreement, all Liens, Claims and liabilities (other than the

Assumed Liabilities and the Permitted Encumbrances) shall not be enforceable against the Buyer or the Assets. Unless expressly included in the Assumed Liabilities or as otherwise expressly provided in this Order, the Buyer shall not be responsible for any Claims, Liens, interests and encumbrances, including in respect of the following: (i) any labor or employment agreements; (ii) any mortgages, deeds of trust or security interests; (iii) any pension, health or welfare, compensation or other employee benefit plans, agreements, practices or programs, including, without limitation, any pension plan of the Debtor or any multiemployer plan to which the Debtor has at any time contributed to or had any liability or potential liability; (iv) any other employee, worker's compensation, occupational disease or unemployment or temporary disability related Claim, including, without limitation, Claims that might otherwise arise under or pursuant to (a) ERISA, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) COBRA, (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, or (k) any other state or federal benefits or Claims relating to any employment with the Debtor or any of its predecessors; (v) liabilities arising, at any time prior to the Effective Time, under any Environmental Laws with respect to any assets owned or operated by the Debtor or any predecessor of the Debtor; (vi) any bulk sales or similar law; (vii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (viii) any Excluded Liabilities. A certified copy of this Order may be filed with the appropriate clerk and/or recorder to cancel or extinguish any such Lien, Claim, interest or encumbrance of record, and each appropriate clerk and/or recorder is hereby ordered to accept a certified copy of this

Order as evidence of the cancellation or extinguishment of any such Lien, Claim, interest or encumbrance.

7. The transfer to the Buyer of the Debtor's rights, title and interest in the Assets pursuant to the Purchase Agreement shall be, and hereby is deemed to be, a legal, valid and effective transfer of the Debtor's rights, title and interest in the Assets, and vests in or will vest in the Buyer all rights, title and interest of the Debtor in the Assets, free and clear of all Claims, Liens, interests and encumbrances of any kind or nature whatsoever (other than the Assumed Liabilities and Permitted Encumbrances), with any such Claims, Liens, interests and encumbrances attaching to the proceeds of the Sale in the same validity, extent and priority as immediately prior to the Sale, subject to the provisions of the Purchase Agreement, and any rights, Claims and defenses of the Debtor and other parties in interest.

8. None of the Buyer or its affiliates, successors, assigns, equity holders, employees or professionals shall have or incur any liability to, or be subject to any action by the Debtor or its estate, predecessors, successors or assigns, arising out of the negotiation, investigation, preparation, execution, delivery of the Purchase Agreement and the entry into and consummation of the Sale, except as expressly provided in the Purchase Agreement and this Order.

9. If the Debtor, its estate, the Committee, any liquidating or litigation trust established for claims of the Debtor, its estate or creditors, or any of the foregoing's successors or assigns, including any subsequently appointed chapter 11 or chapter 7 trustee, recovers funds on account of the D&O Claims, regardless of the source of such funds, then the first \$150,000.00 of recoveries to the Estate received from or in respect of the D&O Claims, net of any reasonable costs and expenses incurred, including, without limitation, any deductibles paid or payable thereunder, in prosecuting such D&O Claims on or after the date of this Order, shall be paid to

the Buyer as repayment for amounts paid under section 2.1 of the Purchase Agreement; provided however, that no contingent or partial contingent fee arrangement for the prosecution of D&O Claims will be entered into without first consulting with the Buyer.

10. Notwithstanding anything to the contrary in the Motion, the Purchase Agreement or this Order, none of the Debtor, its estate, the Committee, any liquidating or litigation trust established for claims of the Debtor, its estate or creditors, or any of the foregoing's successors or assigns or others acting on their behalf or for their benefit, including any subsequently appointed chapter 11 or chapter 7 trustee shall sue, and each of the foregoing shall be barred from suing and shall be deemed to have entered into a covenant not to sue any persons or third parties that (a) are Seller Indemnified Persons under section 8.3 of the Purchase Agreement, solely to the extent such claims would give rise to Losses (as defined in the Purchase Agreement) identified in, and subject to indemnification under, section 8.3 of the Purchase Agreement and (b) are identified by the Buyer within thirty (30) days after the Closing as persons or third parties against whom or which an action under section 547 or 549 of the Bankruptcy Code shall not be pursued based on the Buyer's good faith determination that such person or third party is one with whom or which Buyer reasonably anticipates it will continue to do business after the Closing; provided, however, that such list shall be filed no later than thirty (30) days following the Closing, and the Committee shall promptly, but in no event later than five (5) days following the filing, inform the Buyer that it objects to any such parties as not complying with this paragraph, and in the event the parties are unable to reach agreement, the parties shall present the issues to the Court. Notwithstanding the foregoing, and for the avoidance of doubt, nothing in this Order approves or provides for the transfer or release of any claim or cause of action against an insider or former insider of the Debtor that arose on or prior to December 2, 2016.

11. Except as expressly provided in the Purchase Agreement or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, vendors, suppliers, employees, trade creditors, litigation claimants and other persons, holding Claims, Liens, interests or encumbrances of any kind or nature whatsoever against or in the Debtor or the Debtor's interests in the Assets (whether known or unknown, legal or equitable, matured or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of this Chapter 11 Case, whether imposed by agreement, understanding, law, equity or otherwise), including, without limitation, the non-debtor party or parties to each Assumed and Assigned Contract, arising under or out of, in connection with, or in any way relating to, the Assets or the transfer of the Debtor's interests in the Assets to the Buyer, shall be and hereby are forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing such Claims, Liens, interests and encumbrances against the Buyer or its affiliates, successors, assigns, equity holders, employees or professionals, the Assets, or the Debtor's interest in such Assets. Following the Closing, no holder of a Claim, Lien, interest or encumbrance against the Debtor shall interfere with the Buyer's title to, operation of, or use and enjoyment of the Assets based on or related to any such Claim, Lien, interest or encumbrance, and except as otherwise provided in the Purchase Agreement or this Order, all such Claims, Liens, interests or encumbrances, if any, shall transfer and attach to the proceeds from the Sale in the order of their priority, with the same priority, validity, force and effect which they have against such Assets as of the Closing, subject to the Debtor's estate's or the Debtor's rights, Claims and defenses with respect thereto. All persons are hereby enjoined from taking action that would interfere with or adversely affect the ability of the Debtor to transfer the Assets

in accordance with the terms of the Purchase Agreement and this Order. Nothing in this Order precludes the bringing of a lawsuit against the Buyer or its assigns with respect to Assumed Liabilities, including Assumed M&M Lien Claims in the validity, priority, and extent as determined by the Bankruptcy Court, or an obligation that is an assumed obligation under an Assumed and Assigned Contract or that first arises under an Assumed and Assigned Contract after the Closing of the Sale.

12. The Purchase Agreement has been entered into with the Buyer in good faith and the Buyer is a good faith purchaser of the Assets as that term is used in § 363(m) of the Bankruptcy Code. The Buyer is entitled to all of the protections afforded by § 363(m) of the Bankruptcy Code.

13. The Buyer has not colluded or entered into any agreements with any other bidders, potential bidders or any other parties interested in the Assets and there was no agreement among potential bidders that controlled the price paid for the Assets; therefore, neither the Debtor nor any successor in interest to the Debtor's estate shall be entitled to bring an action against the Buyer, and the Sale may not be avoided pursuant to section 363(n) of the Bankruptcy Code.

14. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the Sale. Except for Parkman Whaling, LLC, no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment is due to any person in connection with the Purchase Agreement, the other transaction documents or the transactions contemplated hereby or thereby for which the Buyer is or will become liable.

15. The consideration provided by the Buyer for the Assets under the Purchase Agreement shall be deemed for all purposes to constitute reasonably equivalent value and fair

consideration under the Bankruptcy Code and any other applicable law, and the Sale may not be avoided, or costs or damages imposed or awarded, under § 363(n) or any other provision of the Bankruptcy Code, the Uniform Voidable Transfer Act, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act or any other similar federal or state laws.

16. Obligations of the Debtor relating to Taxes, whether arising under Law, the Purchase Agreement or otherwise, shall be fulfilled by the party responsible for such obligations under the Purchase Agreement.

17. At the Closing of the Sale, proceeds from the Sale shall be paid to the DIP Agent in an amount to indefeasibly pay in full and completely satisfy the DIP Obligations (as defined in the motion seeking approval of the DIP at ECF No. 105). To the extent the DIP Agent incurs any fees or expenses that are not paid at Closing, and that would otherwise be payable pursuant to the Final DIP Order, the DIP Agent shall submit a final invoice pursuant to the procedures set forth in the Final DIP Order for payment of the DIP Agent's fees and expenses.

18. The provisions of this Order are non-severable and mutually dependent.

19. Upon the Closing, except with respect to Assumed Liabilities and Permitted Encumbrances, the Buyer shall not and shall not be deemed to: (i) be the successor of or successor employer to the Debtor (under COBRA, any applicable regulations thereunder, or any other applicable law), and shall instead be, and be deemed to be, a new employer with respect to any and all federal or state unemployment laws, including any unemployment compensation or tax laws, or any other similar federal or state laws; (ii) have, de facto or otherwise, merged or consolidated with or into the Debtor; (iii) be a mere continuation or substantial continuation of the Debtor or the enterprise(s) of the Debtor; or (iv) be liable for any acts or omissions of Debtor in the conduct of the Debtor's business or arising under or related to the Assets other than as set

forth in the Purchase Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in the Purchase Agreement and in this Order, the parties intend and the Court hereby orders that the Buyer shall not be liable for any liability (other than Assumed Liabilities) against the Debtor, or any of its predecessors or Affiliates, and the Buyer shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the Debtor's business, the Assets or any liabilities of, or Claims against, the Debtor arising prior to the Closing Date.

20. This Order is and shall be: (a) effective as a determination that, other than Assumed Liabilities and Permitted Encumbrances, all Claims, Liens, interests and encumbrances of any kind or nature whatsoever existing as to the Assets prior to the Closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected; and (b) binding upon and shall authorize all entities, including, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies or units, governmental departments or units, secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Assets conveyed to the Buyer.

21. Except with respect to Assumed Liabilities and Permitted Encumbrances, if any person or entity which has filed statements or other documents or agreements evidencing Liens, interests or encumbrances on, or Claims in, the Assets shall not have delivered to the Debtor before the Closing, in proper form for filing and executed by the appropriate parties, termination

statements, instruments of satisfaction, releases of Liens and easements, and any other documents necessary for the purpose of documenting the release of all Claims, Liens, interests or encumbrances which the person or entity has or may assert with respect to the Assets, the Debtor and the Buyer are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Assets. Notwithstanding the foregoing, a certified copy of this Order may be filed with the appropriate clerk or recorded with the recorder of any state, county, or local authority and that shall be sufficient to cancel or extinguish any of the Liens and Claims of record except the Assumed Liabilities and Permitted Encumbrances.

22. Except with respect to Assumed Liabilities and Permitted Encumbrances, all other Liens or other interests in or on the Assets attach to the net cash proceeds of the Sale ultimately attributable to the Assets against or in which such Liens or other interests are asserted, subject to the terms of such Liens or other interests, with the same validity, enforceability, priority, and force and effect as they had against the Assets or their proceeds as of the Voluntary Petition Date, or as provided in the Final DIP Order, subject to any rights, Claims and defenses the Debtor or any other parties may possess with respect thereto.

23. Buyer shall pay the full, negotiated, or adjudicated amount of each Senior Statutory Lien on the Assets by the later of (i) the Closing Date, (ii) within fifteen (15) days of agreement between Buyer and the holder of a Senior Statutory Lien or (iii) fifteen (15) days following the entry of a final non-appealable order of the Bankruptcy Court adjudicating the validity, priority, and extent of such Senior Statutory Lien.

24. Notwithstanding anything contained in this Order or the Purchase Agreement to the contrary, the Allocated Value of the Assets shall have no preclusive effect in any proceeding

to determine whether a lien is a Senior Statutory Lien. All rights to make such arguments and determinations in any subsequent proceedings are reserved to each holder of a Senior Statutory Lien, the Buyer and the Debtor and its successors.

25. Nothing in this Order shall be interpreted to modify or otherwise affect the prepetition priorities among Senior Statutory Liens of the Debtor, and nothing in this Order or the Final DIP Order, including the granting of the First Lien Adequate Protection Liens and Second Lien Adequate Protection Liens in the Final DIP Order, shall be deemed to have modified or otherwise affected such prepetition priorities, all of which are hereby expressly preserved.

26. Nothing in this Order shall affect or otherwise impair common law or contractual setoff or recoupment rights that Fieldwood, Houston Energy L.P., HE&D Offshore, L.P., M21K, LLC, Energy XXI, GOM, LLC, Energy XXI Pipeline II, LLC, and EPL Oil & Gas, Inc. may possess, as of the Effective Time.

27. The Debtor is hereby authorized and directed to take any and all actions necessary to consummate the transactions contemplated by the Purchase Agreement (including any ancillary documents) and this Order.

28. The terms of this Order shall be binding on and inure to the benefit of the Debtor, the Buyer, all creditors and all other parties in interest, and any successors of such parties including, but not limited to, any trustee or examiner with expanded powers appointed in this Chapter 11 Case or upon the conversion of this Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code.

29. Pursuant to §§ 105(a) and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing, the Debtor's assumption and assignment to the Buyer, and the

Buyer's assumption on the terms set forth in the Purchase Agreement, of the Assumed and Assigned Contracts is hereby approved, and the requirements of §§ 365(b)(1) and 365(f) of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

30. The Debtor is hereby authorized and directed in accordance with §§ 105(a), 363, and 365 of the Bankruptcy Code to (a) assume and assign to the Buyer, effective upon the Closing Date, the Assumed and Assigned Contracts, and (b) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer the Assumed and Assigned Contracts. The Debtor (in consultation with the Buyer) may choose to exclude any of the contracts or leases from the list of the Assumed and Assigned Contracts contained on Exhibit B hereto prior to the Closing Date, in which case such contracts or leases shall not constitute Assumed and Assigned Contracts and shall not be assumed by the Debtor.

31. The Assumed and Assigned Contracts shall be transferred to, and remain in full force and effect for the benefit of, the Buyer in accordance with their respective terms, notwithstanding any provision in any such contract that prohibits, restricts, or conditions such assignment or transfer pursuant to § 365(f) of the Bankruptcy Code. There shall be no accelerations, assignment fees, increases or any other fees charged to the Buyer or the Debtor as a result of the assumption and assignment of the Assumed and Assigned Contracts.

32. Within fifteen (15) days of the Closing, the Buyer shall pay or satisfy the Cure Amounts for the Assumed and Assigned Contracts, and upon making such payment all defaults or other obligations of the Debtor under the Assumed and Assigned Contracts arising or accruing prior to the Closing Date (without giving effect to any acceleration clauses or any default provisions of the kind specified in § 365(b)(2) of the Bankruptcy Code), whether monetary or non-monetary, shall be deemed cured pursuant to § 365 of the Bankruptcy Code.

33. All counterparties to the Assumed and Assigned Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Buyer, and shall not charge the Debtor or the Buyer for any instruments, applications, consents or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale.

34. Debtor and Buyer acknowledge that Debtor currently serves as the operator for some, but not all, of the Assets to be conveyed pursuant to this Order. The following provisions in this paragraph apply only to the Assets for which Debtor currently serves as the operator (the "Operated Assets"). Notwithstanding anything to the contrary in the provisions of an Assigned Contract or any other operating agreement, participation agreement or other agreement which affects the Operated Assets, parties who own an oil and gas interest, including, without limitation, the owner of any working interest, operating rights interest or record title interest in any of the Operated Assets, the Buyer is hereby appointed as the contractual and regulatory operator of record for each and all of the Operated Assets. Buyer shall promptly prepare and file all forms and instruments required by contract or law or which are necessary to effect the designation of itself as operator of the Operated Assets. Further, the owners of any working interest, operating rights interest or record title interest in any of the Operated Assets are hereby ordered to fully execute and promptly deliver to Buyer, all forms, designations, instruments and documents required by the Bureau of Ocean Energy Management ("BOEM") or the Bureau of Safety and Environmental Enforcement ("BSEE") or any other governmental authority for the recognition and/or change of designation of operatorship, as well as for any other documentation required for the recognition and/or change of operatorship required by law or contract, including,

but not limited to, all required Designation of Operator forms (Form BOEM-1123) and Oil Spill Financial Responsibility (OSFR) forms for Offshore Facilities (Form OSFR-1017).

35. The following provisions in this paragraph are applicable only to the administration of such Assets for which Debtor serves as operator, in relation to terminated leases (the "Terminated Lease Obligations"). Notwithstanding anything to the contrary in the provisions of an Assigned Contract or any other operating agreement, participation agreement or other agreement which affects the Terminated Lease Obligations, parties who own an oil and gas interest, including, without limitation, the owner of any working interest, operating rights interest or record title interest in any of the Terminated Lease Obligations, the Buyer is hereby appointed as the contractual and regulatory operator of record for each and all of the Terminated Lease Obligations. Buyer shall promptly prepare and file all forms and instruments required by contract or law or which are necessary to effect the designation of itself as operator of the Terminated Lease Obligations. Further, owners of any working interest, operating rights interest or record title interest in any of the Terminated Lease Obligations are hereby ordered to fully execute and promptly deliver to Buyer all forms, designations, instruments and documents required by the BOEM or BSEE or any other governmental authority for the recognition and/or change of designation of operatorship, as well as for any other documentation required for the recognition and/or change of operatorship required by law or contract, including, but not limited to, all required Designation of Operator forms (Form BOEM-1123) and Oil Spill Financial Responsibility (OSFR) forms for Offshore Facilities (Form OSFR-1017).

36. Forms to be submitted to BOEM and BSEE by the Buyer (as the Debtor's successor for purposes of permitting only) are declared to be forms correctly submitted on behalf of, and with the full authorization of, the Buyer and Debtor, including all documents reasonably

required to formally transfer operator status to the Buyer, except for any reasonable restrictions set forth in this Order.

37. Nothing in this Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the post-sale owner or operator of property after the date of entry of this Order. Nothing in this Order or the Purchase Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law; provided that, to the extent provided by section 525 of the Bankruptcy Code, no governmental unit may deny, revoke, suspend, or refuse to renew any permit, license, or similar grant relating to the operation of the Assets on account of the filing or pendency of this Chapter 11 Case. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

38. Each and every federal, state and governmental agency or department, and any other person or entity, is hereby authorized to accept any and all documents and instruments in connection with or necessary to consummate the Sale contemplated by the Purchase Agreement.

39. Notwithstanding anything to the contrary in this Order or any Sale Documents any assumption, assignment and/or transfer of any interests in federal oil and gas leases, rights-of-way or rights-of-use-and-easement (collectively, the "Federal Leases") will be ineffective absent the consent of the governmental unit as provided for in applicable non-bankruptcy laws and regulations including, without limitation, 30 C.F.R. Part 556. In order to obtain the consent of the governmental unit to any assumption, assignment and/or transfer, any and all existing

defaults under the applicable Federal Leases must be cured or the prospective assignee and/or transferee must provide adequate assurance that the defaults will be cured. Nothing in this Order or the Sale Documents shall be interpreted to set cure amounts for Federal Leases or to require the governmental unit to novate or otherwise consent to the assignment and/or transfer of any interests in the Federal Leases.

40. Notwithstanding any other provision in this Order or in the Sale Documents, the United States will retain, and have, the right to audit and/or perform any compliance review and, if appropriate, collect from the Debtor or its successors and assigns including the Buyer, any additional monies that were owed by the Debtor prior to the assumption and assignment of the Federal Leases without those rights being adversely affected by these bankruptcy proceedings. The Debtor, the Buyer, and their successors and assigns will each individually retain all defenses and/or rights, other than defenses and/or rights arising from the bankruptcy, to challenge any such determination. The audit and/or compliance review period shall remain open for the full statute of limitations period established by the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (30 U.S.C. §§ 1701, *et seq.*). Notwithstanding anything to the contrary in this Order or in the Sale Documents, nothing shall affect the United States' rights to offset or recoup any amounts due under, or relating to, the Federal Leases.

41. Notwithstanding anything to the contrary in this Order, the Purchase Agreement or any related transaction document, nothing shall affect, waive, or limit: (i) the decommissioning obligations and financial assurance obligations set forth in The Outer Continental Shelf Lands Act, 43 U.S.C. § 1331 *et seq.*, and its implementing regulations found in, among other places, 30 C.F.R. Part 250 Subpart Q and 30 C.F.R. Part 556, any other regulatory obligations for qualification, or otherwise, as determined by The Department of the

Interior ("Interior"), that must be met by the Debtor and/or the Buyer on the Federal Leases going forward or Interior's enforcement thereof; or (ii) Interior's regulatory authority under applicable laws and regulations to grant, direct or deny any applicable suspensions of production or suspensions of operations. To the extent that anything in this Order or any Sale Documents conflicts with paragraphs 39 through 41, the terms of paragraphs 39 through 41 shall supersede and control.

42. Notwithstanding anything to the contrary stated in this Order, the Purchase Agreement, the *Debtor's Notice of (I) Request for Authority to Assume Certain Executory Contracts and Unexpired Leases and (II) Proposed Cure Amounts* [ECF No. 544], *First Supplemental Notice of (I) Request For Authority To Assume And Assign Certain Executory Contracts And Unexpired Leases, And (II) Proposed Cure Amounts* [ECF No. 591], *Second Supplemental Notice of (I) Request For Authority To Assume And Assign Certain Executory Contracts And Unexpired Leases, And (II) Proposed Cure Amounts* [ECF No. 649], *Notice of (I) Request for Authority to Assume and Assign Executory Contracts and Unexpired Leases and (II) Proposed Cure Amounts* [ECF No. 725], or otherwise, the Debtor, Houston Energy, L.P. and HE&D Offshore, L.P. (the "Houston Energy Entities"), and M21K, LLC, Energy XXI GOM, LLC, Energy XXI Pipeline II, LLC and EPL Oil & Gas, Inc. (the "Energy XXI Entities"), shall negotiate and attempt to arrive at a mutual agreement regarding the Cure Amounts to be paid, respectively, to the Houston Energy Entities and the Energy XXI Entities in connection with the Debtor's assumption and assignment to Buyer of executory contracts with one or more of the Houston Energy Entities and one or more of the Energy XXI Entities. In the event that the Debtor and the Houston Energy Entities and/or the Energy XXI Entities are not able to reach a mutually acceptable agreement regarding the Cure Amounts within 30 days of the date of this

Order, any unresolved Cure Amount issue, at the request of the Debtor, the Houston Energy Entities or the Energy XXI Entities, as the case may be, shall be set for hearing for determination by the Court.

43. Any Cure amounts owed to Helis Oil & Gas Company, LLC ("Helis") under the operating agreements relating to WC 21, WC 44 and WC 57 shall be paid and satisfied through Helis's recoupment and/or offset rights under this Court's Order dated April 18, 2017 [ECF No. 449] (the "Helis Recoupment Order") to the extent that joint interest billings equal or exceed working interest payments owed to Helis thereunder. If working interest payments exceed joint interest billings, any overage shall be paid to Helis. The Helis Recoupment Order shall be and remain binding on the Buyer, who shall be and remain subject to its terms and conditions. The currently known Cure amount due Helis under its operating agreement relating to Ship Shoal 252 is zero; however, in the event and to the extent that the Debtor has not paid, and is determined to owe, the operator payments on any joint interest billings and Helis should be called upon to fund its *pro-rata* interest of any such amounts owed and not paid by the Debtor, any such amounts shall be paid to Helis as Cure.

44. Assumption of HI A571 OA and Resolution of HI A571 Cure Objection: With respect to the assumption of the Operating Agreement dated February 13, 1974 (the "HI A571 Operating Agreement") for High Island A-571 (OCS Lease No. G02391) ("HI A571");

a. Debtor shall assume OCS Lease No. G02391 and assign it to Buyer. Buyer commits to promptly provide such financial security as may be required by law and such cure and adequate assurance as may be required by BOEM and BSEE to bring the lease into compliance. Furthermore, Buyer shall provide McMoRan Oil & Gas, LLC ("McMoRan") with prompt notice concerning its supplemental

bonding and other financial assurance it may provide to BOEM and BSEE related to HI A571.

b. Debtor shall assume the HI A571 Operating Agreement and assign its rights to Buyer and the HI A571 Operating Agreement shall remain in full force and effect.

c. McMoRan and Debtor shall be entitled to setoff both pre- and post-petition outstanding joint interest billings from the share of production Debtor has withheld from McMoRan and following this setoff, McMoRan shall pay to Debtor the sum of \$484,644.89 (the "Net JIB Settlement"), within 14 days of the entry of this Order. McMoRan and Debtor shall setoff and/or pay to each other as necessary such further amounts as may become due by the time of the closing of the sale to Buyer. Payment of the Net JIB Settlement shall fully satisfy all obligations, costs, expenses, and joint interest bills through June 30, 2017, owed by McMoRan under the HI A571 Operating Agreement.

d. Debtor, and upon closing of the Sale, Buyer shall resume providing McMoRan its production in kind. McMoRan shall resume payment of joint interest billings in the ordinary course of business and all rights under the HI A571 Operating Agreement are reserved and unimpaired by this Order.

e. Cure of HI A571 Operating Agreement Lien Defaults: Conditioned upon payment by McMoRan of the Net JIB Settlement, Buyer shall indemnify, defend, protect, and hold harmless McMoRan against and from any and all damages, losses, liabilities, obligations, penalties, claims, sums paid in settlement of claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, fines, liens, encumbrances, and expenses of any kind or any nature that may be

imposed upon, incurred by, or asserted or awarded against McMoRan that arise directly or indirectly out of any statutory liens against McMoRan or its interest and related to HI A571 for services provided before before the Effective Time. This indemnity shall include attorneys' fees and costs, the market value of any production or other property seized, levied, or otherwise attached by any parties asserting statutory liens. This indemnity obligation shall be a condition of assumption of the HI A571 Operating Agreement and shall be secured by the first priority security rights provided by the HI A571 Operating Agreement. For the avoidance of doubt, McMoRan shall not be billed for any share of any payment to any party asserting a statutory lien on HI A571 for services provided prior to the Effective Date.

45. Notwithstanding anything contained in this Order or the Purchase Agreement to the contrary, including paragraphs 22 and 23 of this Order, the following stipulations and agreements shall apply to Archrock Partners Operating LLC and Archrock Services LP (collectively, "Archrock");

a. Debtor shall pay Archrock out of the sale proceeds all unpaid postpetition charges due Archrock through July 31, 2017 in the amount of \$304,517.70 within ten (10) business days after Debtor's receipt of proceeds of the Sale in full satisfaction of Archrock's liens in the sale proceeds and its administrative claims existing as of July 31, 2017. Archrock shall retain its liens in the proceeds of the sale in the same manner, in the same order of priority, and with the same validity, force and effect they now have as against the applicable Assets until all amounts required by this paragraph are fully paid to Archrock.

b. Buyer shall pay Archrock Partners Operating LLC ninety percent (90%) of the lawful amounts due through December 2, 2016 relating to South Marsh Island 41A, High Island 571A, West Cameron 269 and Eugene Island 184 (collectively, the "Archrock Locations") within five (5) business days after the Closing Date in full satisfaction of Archrock's Senior Statutory Liens in the Archrock Locations. Archrock and the Debtor agree that the amount due for such period on the Archrock Locations is \$340,815.51 and the required ninety percent (90%) payment is \$306,733.95. Buyer shall also pay Archrock Partners Operating LLC all contractual charges accruing on or after August 1, 2017 on the Archrock Locations in the ordinary course of business including a payment of \$67,726.16 for the August 2017 compression charges on the Archrock Locations within five (5) business days after the Closing Date.

c. Upon receipt of the amounts due under this agreement and Order, Archrock shall execute and deliver releases of all of its liens in the Archrock Locations to counsel for the Buyer, Patrick Potter, Pillsbury Winthrop Shaw Pittman LLP, within twenty (20) days of Archrock receiving good funds.

46. The Debtor and Buyer agree that the issues as to cure of the HI A 442 Operating Agreement with Rosetta Resources Offshore, LLC are severed from this ruling and that the parties shall work to reach a consensual resolution of their disputes. If such disputes cannot be consensually resolved on or before September 27, 2017, the matter shall be heard by this Court at the status conference scheduled on that date at 9:00 a.m. (Central Time).

47. Notwithstanding anything to the contrary in this Order, the Purchase Agreement, other Sale filings, or in any financing arrangements made in conjunction with the Sale

(collectively, and for purposes of this paragraph, the "Order and Sale Documents"), the Order and Sale Documents do not impair or otherwise impact any party's rights in (i) any bonds posted by Argonaut Insurance Company ("Argonaut") on which Debtor is the principal ("Argonaut P&A Bonds"), specifically including, but not limited to, Bond Nos. SUR0030280, SUR0030276 and SUR0030279 issued by Argonaut, as surety, to JX Nippon Oil Exploration (U.S.A.) Limited ("Nippon"), as obligee (collectively, the "Nippon P&A Bonds"), (ii) any collateral held by Argonaut in relation to the Argonaut P&A Bonds ("Argonaut Collateral"), (iii) and all documentation directly associated therewith. It is the intent of this paragraph that no party's rights as to Argonaut P&A Bonds, including the Nippon P&A Bonds, and the Argonaut Collateral are increased or diminished pursuant to this Order, and all parties' other rights in relation thereto are specifically preserved. Provided, if and when any collateral is released by Argonaut or is thereafter released by FNBCT as a consequence of a release of liability under any letter of credit, the rights in any such released collateral will be governed by the Purchase Agreement. The foregoing provisions shall be read consistent with the Court's findings on the matter on August 2, 2017 at the Sale Hearing. If necessary, a status conference shall be held on September 27, 2017 to address the resolution of pending disputes between Argonaut and FNBCT, with Argonaut's jurisdictional arguments fully reserved.

48. Notwithstanding anything to the contrary in this Order or in the Purchase Agreement, the attachments thereto, or otherwise, after Closing, the Buyer is obligated to have Lexon replace the existing Lexon bonds numbers: 1138469, 1118851, 1118854, 1118855, 1138472, 1138470, and 1138467 with new bonds from Lexon in favor of the existing obligees with the Buyer as Principal. Lexon in its sole discretion can waive the need for the issuance of the new bond for Lexon bond 1138467.

49. To the extent that this Order is inconsistent with the Purchase Agreement or any prior order or pleading with respect to the Motion in this Chapter 11 Case, the terms of this Order shall govern.

50. Except as agreed by the parties to the Purchase Agreement in writing, this Order shall not be modified by any chapter 11 plan of the Debtor confirmed in this Chapter 11 Case.

51. This Order and the Purchase Agreement shall be binding in all respects upon all creditors and interest holders of the Debtor, all non-debtor parties to the Assumed and Assigned Contracts, all successors and assigns of the Debtor and its affiliates and subsidiaries, and any trustees, examiners, "responsible persons" or other fiduciaries appointed in the Chapter 11 Case or upon a conversion of the Debtor's case under chapter 7 of the Bankruptcy Code, including a chapter 7 trustee, and the Purchase Agreement shall not be subject to rejection or avoidance under any circumstances. If any order under § 1112 of the Bankruptcy Code is entered, such order shall provide (in accordance with §§ 105 and 349 of the Bankruptcy Code) that this Order and the rights granted to the Buyer hereunder shall remain effective and, notwithstanding such dismissal, shall remain binding on the Debtor, all of its creditors and parties in interest.

52. The failure specifically to include or make reference to any particular provisions of the Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement is authorized and approved in its entirety.

53. Neither the Buyer nor the Debtor shall have an obligation to close the Sale until all conditions precedent in the Purchase Agreement to close the Sale have been met, satisfied, or waived in accordance with the terms of the Purchase Agreement.

54. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order, the Purchase Agreement, all amendments thereto, and any waivers and consents thereunder, and each ancillary document executed in connection therewith to which the Debtor is a party or which has been assigned by the Debtor to the Buyer, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Assets to the Buyer, (b) interpret, implement, and enforce the provisions of this Order, (c) protect the Buyer against any Lien, Claims, or interests in or against the Debtor or the Assets of any kind or nature whatsoever except as to Senior Statutory Liens that constitute Assumed Liabilities, and (d) enter any orders under §§ 105, 363 or 365 of the Bankruptcy Code with respect to the Assumed and Assigned Contracts; provided, however, that in the event the Court abstains from exercising or declines to exercise jurisdiction or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter.

55. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding any provision in the Bankruptcy Rules to the contrary, including but not limited to Bankruptcy Rule 6004(h) and 6006(d), the Court expressly finds there is no reason for any material delay in the implementation of this Order and, accordingly, unless otherwise ordered by the Court: (i) the terms of this Order shall be immediately effective and enforceable upon the termination of the stays set forth in this paragraph; (ii) this Order is stayed until 10:00 a.m. on August 3, 2017; and (iii) if a motion for stay pending appeal is filed on or before 10:00 a.m. on August 3, 2017, (x) this Court will conduct a hearing on any such motion at 2:00 p.m. on August

3, 2017; and (y) this Order is further stayed until the conclusion of the 2:00 p.m. hearing. Upon the termination of the stay(s), (i) the Debtor is not subject to any other stay of this Order or in the implementation, enforcement or realization of the relief granted in this Order unless so stayed by further Court order; and (ii) the Debtor shall take any action and perform any act authorized under this Order.

Dated: Houston, Texas
August 2, 2017



THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Purchase Agreement